

D. HOUSING STOCK CHARACTERISTICS

This section evaluates the characteristics of Huntington Beach's housing stock. This includes an analysis of growth trends, housing conditions, housing costs and affordability.

1. Housing Growth

Table II-12 displays housing production in the City over the past two decades, compared to neighboring cities and the entire Orange County region. Between 1990 and 2000, Huntington Beach's housing stock grew by a modest four percent, similar to growth levels in the surrounding communities of Westminster, Fountain Valley and Costa Mesa, though well below the eleven percent growth evidenced Countywide. During the 2000s, housing growth declined throughout the region, with the City's three percent growth comparable to levels experienced in many of central and north Orange County communities.

Table II-12: Regional Housing Growth Trends 1990-2010

Jurisdiction	1990	2000	2010	Percent Change	
				1990-2000	2000-2010
Anaheim	93,177	99,719	104,237	7%	5%
Costa Mesa	39,611	40,406	42,120	2%	4%
Fountain Valley	18,019	18,473	19,164	3%	4%
Huntington Beach	72,736	75,679	78,003	4%	3%
Irvine	42,221	53,711	81,110	21%	51%
Newport Beach	34,861	37,288	44,193	7%	19%
Santa Ana	75,000	74,588	76,896	-1%	3%
Seal Beach	14,407	14,267	14,558	-1%	2%
Westminster	25,892	26,940	27,650	4%	3%
Orange County	875,105	969,484	1,046,118	11%	8%

Source: U.S. Census 1990, 2000, 2010.

The 2010 Census documents Huntington Beach's housing stock at 78,003 units, reflecting the addition of 2,300 net new units over the most recent decade. During this same time period, the City's population count remained virtually unchanged and is indicative of the community's changing demographics and smaller household sizes. While recent housing growth has been relatively balanced between single- and multi-family units, future growth will largely be characterized by higher density multi-family and mixed use product types, such as that planned for in the *Beach and Edinger Corridors Specific Plan* and *Downtown Specific Plan*. More compact development patterns are already being evidenced: of the 2,474 units with development entitlements (April 2013), 1,930 are apartments, 417 are single-family homes, and 127 are condominiums.



Pacific Shores Development

2. Housing Type and Tenure

Table II-13 presents the mix of housing types in Huntington Beach, and illustrates the relatively stable mix of single-family (61%) and multi-family (35%) units over the past two decades. Huntington Beach also has 18 mobilehome parks with just under 3,100 mobilehome units, comprising 4 percent of the City's housing. Among the approximately 650 housing units within Sunset Beach, 60% are single-family and 40% are multi-family.

Table II-13: Housing Type 1990-2010

Unit Type	1990		2000		2010	
	Units	Percent	Units	Percent	Units	Percent
Single-Family (SF) Detached	34,537	48%	36,952	49%	38,512	49%
SF Attached	8,904	12%	9,457	12%	9,119	12%
<i>Total SF</i>	<i>43,441</i>	<i>60%</i>	<i>46,409</i>	<i>61%</i>	<i>47,631</i>	<i>61%</i>
2 to 4 Units	9,487	13%	9,666	13%	9,249	12%
5 or more units	16,608	23%	16,463	22%	18,036	23%
<i>Total Multi-Family</i>	<i>26,095</i>	<i>36%</i>	<i>26,129</i>	<i>35%</i>	<i>27,285</i>	<i>35%</i>
<i>Mobile Homes & Other</i>	<i>3,200</i>	<i>4%</i>	<i>3,141</i>	<i>4%</i>	<i>3,087</i>	<i>4%</i>
Total Housing Units	72,736	100%	75,679	100%	78,003	100%
Vacancy Rate	5.3%	--	2.7%	--	4.8%	--

Source: U.S. Census 1990, 2000, 2010. Dept of Finance 2010 Population and Housing Estimates.

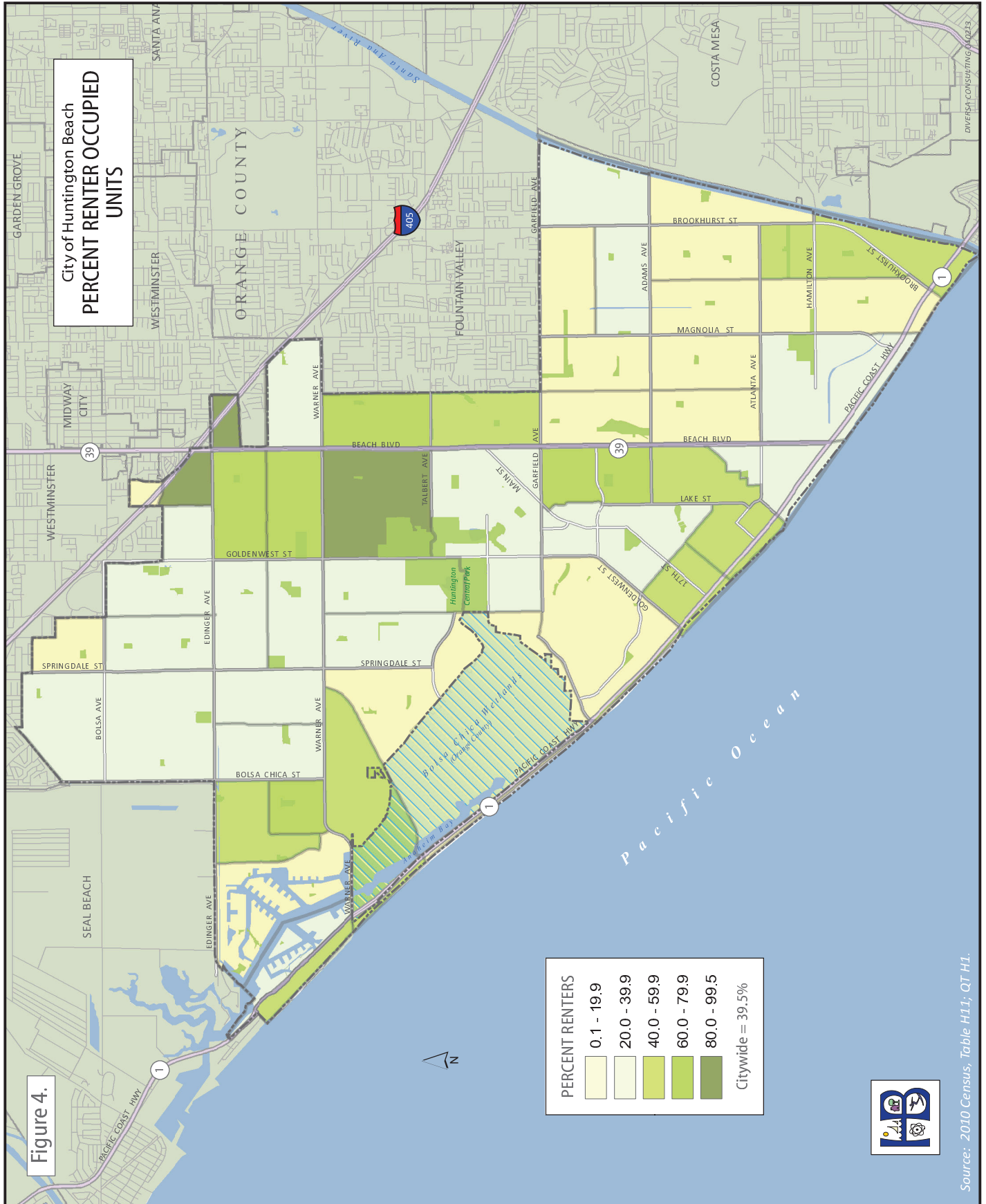
Housing tenure refers to whether a housing unit is owned, rented or is vacant. According to the 2010 Census, 60 percent of Huntington Beach's households were homeowners, comparable to the County as a whole, yet representing a slight decrease from the City's 61 percent homeownership rate in 2000. Homeownership rates have declined nationwide over the past decade, reflecting the impact of the economic recession and financial crisis of 2008-2009, and subsequent bursting of the housing bubble. Within Sunset Beach, at 59 percent, renters comprise the majority of households.

Table II-14: Housing Tenure 1990-2010

Occupied Housing Units	1990		2000		2010	
	Households	Percent	Households	Percent	Households	Percent
Renter	28,595	42%	28,999	39%	29,371	40%
Owner	40,284	58%	44,658	61%	44,914	60%
Total	68,879	100%	73,657	100%	74,285	100%

Source: U.S. Census, 1990, 2000, 2010.

Figure 4 illustrates the percentage of renter households in Huntington Beach by census tract. As depicted, the highest concentrations of renters (over 60%) are generally located in the following neighborhoods: central Huntington Beach between Talbert and I-405, east of Goldenwest (including the Oak View, Newland and Washington neighborhoods); west of Beach Boulevard and south of Garfield (including the Yorktown-Lake and Garfield neighborhoods); and a small neighborhood located west of Bolsa Chica and north of Warner. Many of these neighborhoods with high concentrations of renters also correspond to the City's lower income census tracts (refer to Figure 2).



Vacancy Rate

The vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A low vacancy rate may indicate that households are having difficulty finding affordable housing, which can lead to overcrowding and/or overpayment. A particularly tight housing market with insufficient vacant units for normal mobility may also lead to high competition for units, placing upward pressure on rents and for-sale housing prices.

A vacancy rate of five percent for rental housing and two percent for ownership housing is generally considered healthy and suggests that there is a balance between the supply and demand of housing. As measured by the 2010 Census, the residential vacancy rate in Huntington Beach was 1.1 percent for ownership units, indicative of the limited supply of housing on the market in March 2010. As housing prices have again begun to increase, so has the supply of for-sale housing on the market. In terms of rental housing, the 2010 Census identifies a healthy 5.4 percent vacancy rate. Similarly, the REALFACTS rent survey of nearly 6,000 apartment units in the City documents a 4.5 percent rental vacancy in 2nd quarter 2012.

3. Housing Age and Condition

The age of a community's housing stock can provide an indicator of overall housing conditions. Typically housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work and other repairs. As illustrated in Table II-15, the majority of Huntington Beach's housing stock exceeds this 30 year benchmark. Among owner-occupied housing, 76 percent of units were constructed prior to 1980, reflective of the proliferation of single-family home development in Huntington Beach during the 1960s and 1970s. Similarly, 74 percent of the rental stock was developed more than 30 years ago; this housing is typically of lesser quality construction and suffers more wear-and-tear from tenants than owner-occupied housing. The community's older housing is also typically its most affordable, making preservation dually important.

Table II-15: Age of Housing Stock

Year Structure Built	Renter Occupied Housing	Percent Renter	Owner Occupied Housing	Percent Owner	Total Percent
2005-2009	86	<1%	539	1%	<1%
2000-2004	522	2%	1,938	4%	3%
1990-1999	1,236	4%	3,752	8%	7%
1980-1989	5,775	20%	5,286	11%	15%
1970-1979	10,754	38%	13,320	29%	32%
1960-1969	7,319	26%	18,689	41%	35%
1950-1959	2,002	7%	1,668	4%	5%
1940-1949	421	1%	426	1%	1%
1939 or earlier	493	2%	402	<1%	1%
Total	28,608	100%	46,020	100%	100%

Source: American Community Survey, 2005-2009.

The 2005-2009 American Community Survey estimates the number of housing units without kitchen facilities and/or complete plumbing, another indicator of the condition of the housing stock. Within Huntington Beach, the ACS identifies 404 occupied dwelling units as lacking kitchen facilities (41 owner and 363 renter households), representing 0.5% of the City's households. Just 92 occupied units were identified as lacking complete plumbing (28 owner and 64 renter households). In summary, housing that lacks basic kitchen and plumbing facilities is fairly rare in Huntington Beach.

The advanced age of the majority of Huntington Beach's housing stock supports the need for continued code enforcement, property maintenance and housing rehabilitation programs to stem housing deterioration. In order to maintain adequate housing conditions, the City operates a proactive Code Enforcement Program and Neighborhood Preservation Program, both aimed at eliminating blight and improving the quality of life in Huntington Beach neighborhoods.

Housing Conditions

During February through August 2007, City Code Enforcement staff conducted a Citywide windshield survey to identify neighborhoods with deteriorated or deteriorating housing conditions¹⁰. The survey examined the exterior and publicly visible areas of units, rating each unit as “good”, “fair” or “poor” based on several categories, such as roof, paint, and landscaping. The scores of all features were then combined and an overall rating given to the property. As indicated in Table II-16, of the 55,129 units surveyed, 91 percent were rated as “good”, 8 percent as “fair”, and 1 percent as “poor.” Thus, the City has nearly 5,000 units rated fair to poor in need of some level of rehabilitation.

Table II-16: Summary of Housing Conditions 2007

Overall Condition Rating	# of Units Surveyed	% of Units Surveyed
Good	50,356	91%
Fair	4,455	8%
Poor	318	1%
Total	55,129	100%

Source: City of Huntington Beach City-wide Housing Condition Survey, 2007.

In conjunction with the housing conditions survey, City staff also identified deteriorated areas based on observed violations of the Uniform Housing Code. This effort was undertaken to determine geographical areas meeting the U.S. Department of Housing and Urban Development (HUD) guidelines to utilize Community Development Block Grant (CDBG) funding for special code enforcement and preservation activities in deteriorating areas. From this survey, staff identified four geographical areas that met the criteria for a deteriorating area, as well as meeting the CDBG national objective of serving low and moderate income households (refer to Figure 5):

- Bolsa Chica – Heil
- East – Central
- South - Central
- Southeast

Within these four areas, 78 percent of units were found to have some level of deterioration, including 24 percent with low deterioration, 40 percent with medium deterioration, 6 percent with high deterioration, and 8 percent with very high deterioration. While these four areas comprise approximately 20 percent of Huntington Beach's total housing stock (13,200 units), they were responsible for 42 percent of all code enforcement activity and 51 percent of all code violations recorded citywide.

These four areas of concentrated deteriorated housing have been designated as Special CDBG Code Enforcement areas, and have become the focus of increased code enforcement and neighborhood preservation efforts to improve the quality of life and

¹⁰ The City has adopted the following definition of deteriorating area: “Any area of the City which contains a substantial number of buildings or properties maintained in such a manner that substandard conditions, as defined by Chapter 10 of the 1997 California Uniform Housing Code, are in existence or are likely to be observed, and/or exhibit other factors and conditions believed to indicate, influence, or contribute to the deterioration of buildings properties.”

condition of housing. In 2012, the East-Central Special CDBG Code Enforcement Area was expanded westward to encompass the area north of Warner between Springdale and Goldenwest. Code enforcement staff have identified one housing complex and two apartment complexes in this area with approximately 658 units in “fair” condition.

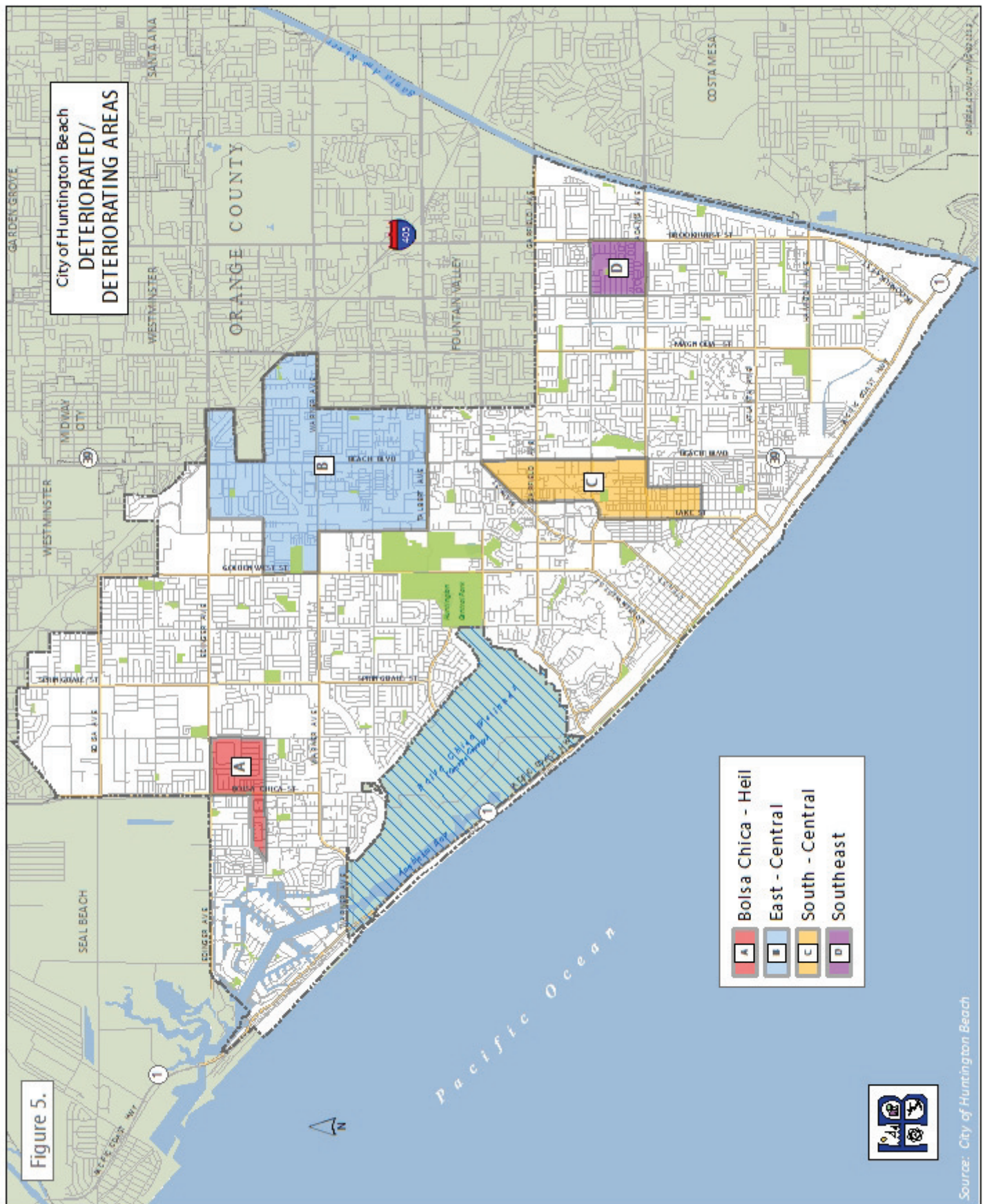
Neighborhood Preservation and Code Enforcement Program

The Neighborhood Preservation and Special CDBG Code Enforcement program utilizes a variety of community oriented enforcement techniques and programs in collaboration with multiple City Departments and several County public agencies (such as Fair Housing, Health Department, Vector Control, etc) to arrest housing stock decline and blighting conditions. The primary goal is to promote a healthy community environment through education and communication, and when necessary, civil and criminal enforcement actions, to actively engage the community in addressing housing deterioration. The City facilitates establishment of residential community groups within Neighborhood Preservation Areas, such as the Oakview Task Force, to define and resolve neighborhood issues and problems. The focus of the City’s code enforcement activities has shifted from being reactionary and punitive to more proactive and educational in nature, aiming to empower residents to improve their neighborhoods.

Educational efforts and functions include:

- Working with business owners, neighborhood associations and home owners to identify neighborhood and code enforcement issues, facilitate discussions and forums to assist in achieving resolution
- Empowering the community through resource referrals and self-help programs to resolve and prevent code enforcement issues. Common resource referrals include, but are not limited to, the City’s Home Rehabilitation Loan Program, the City’s Senior Citizen Services, and various County assistance programs.
- Educating the public regarding City Codes relative to property maintenance, abandoned vehicles, substandard housing, home businesses, and housing code regulations. Outreach efforts include distribution of code enforcement informational brochures, monthly newsletter, periodic articles in local publications; conducting presentations to various neighborhood, home, and property owner associations; and participating on community-specific task forces.

The City monitors code enforcement complaints via an automated complaint tracking software and database. On a monthly basis, staff generates reports, analyzing complaints received, actions taken, and types of violations throughout the City. This information is used to make program adjustments to ensure enforcement actions are effective in addressing the particular needs of the various areas of the City.



4. Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a higher prevalence of overpayment and overcrowding. This section summarizes the cost and affordability of the housing stock to Huntington Beach residents.

Rental Housing Market

Current rental housing costs in Huntington Beach were obtained from REALFACTS, a service that provides existing contract rents in properties containing 100 or more units. Twenty-seven apartment complexes totaling 5,983 units were included in the rent survey. These properties range in size from 96 to 448 units, with the year of construction ranging from 1964 to 1987. All twenty-seven properties were classified as Class C construction, with the lack of Class A properties indicative of their 25+ year age.

As illustrated in Table II-17, during the 2nd quarter of 2012, the average rents in these complexes ranged from \$1,092 for a studio, \$1,362 for a one-bedroom, \$1,623 to \$1,815 for a two-bedroom (1 to 2 bath), and \$2,160 for a three-bedroom unit. The overall average rent for all unit types was \$1,533, a seven percent increase from the prior year.

In order to examine rental trends within a longer time frame, Table II-17 also provides information on the history of rental costs in these complexes from 2006 through 2nd quarter 2012. Between 2006-2008, overall rental prices increased by six percent, followed by a decline of six percent during the 2008-2010 peak of the recession. As the economy has begun to improve, rents are again on the upswing, increasing an average of nine percent during 2010 to 2nd quarter 2012. REALFACTS documents a similar rise in rents since 2010 throughout the greater southern California region.

Table II-17: Apartment Rental Trends 2006-2012

Unit Type (Bd/Bth)	2006	2008	2010	2011	2 nd Quarter 2012	% Change 2006- 2008	% Change 2008- 2010	% Change 2010- 2011	% Change 2011- 2 nd Q 2012
Studio	\$1,021	\$1,084	\$983	\$1,047	\$1,092	6%	-9%	7%	4%
1	\$1,267	\$1,339	\$1,270	\$1,286	\$1,362	6%	-5%	1%	6%
2/1	\$1,508	\$1,640	\$1,527	\$1,532	\$1,623	9%	-7%	<1%	6%
2/2	\$1,587	\$1,730	\$1,634	\$1,670	\$1,815	9%	-6%	2%	9%
3/2	\$1,977	\$1,871	\$1,732	\$1,831	\$2,160	-5%	-7%	6%	18%
2 Twnhm	\$1,687	\$1,800	\$1,709	\$1,766	\$1,855	7%	-5%	3%	5%
3 Twnhm	\$1,935	\$2,026	\$1,818	\$1,908	\$2,160	5%	-10%	5%	13%
Total Average	\$1,408	\$1,497	\$1,403	\$1,433	\$1,533	6%	-6%	2%	7%

Source: REALFACTS, August 2012

Table II-18 presents a comparison of rental rates in other Orange County communities based on REALFACTS survey of 100+ unit properties. The average rent level for all properties Countywide was \$1,604, approximately five percent higher than in Huntington Beach and likely a reflection of the relatively newer rental stock in many of the southern Orange County communities. In terms of the change in average rent levels between 2011-2012, the 7.4 percent increase evidenced in the City is well above the Countywide increase of 4.8 percent, and second only to Newport Beach.

Table II-18: Apartment Rental Trends in Comparison Communities

Jurisdiction	Average Rents 2nd Q 2012	% Change 2011–2012
Newport Beach	\$2,118	8.6%
Irvine	\$1,902	4.2%
Costa Mesa	\$1,669	6.6%
Orange County	\$1,604	4.8%
Orange (City)	\$1,601	2.1%
Huntington Beach	\$1,533	7.4%
Santa Ana	\$1,445	4.3%
Fountain Valley	\$1,443	5.7%
Anaheim	\$1,345	6.0%
Fullerton	\$1,344	3.1%
Westminster	\$1,328	4.3%

Source: REALFACTS, August 2012

Homeownership Market

Table II-19 compares single-family and condominium sales prices in Huntington Beach and nearby communities by zip code during calendar year 2012. A total of 1,506 single-family homes were sold within the City's four zip codes, with an additional two homes sold in Sunset Beach which was annexed to the City in August 2011. The level of single-family sales activity in 2012 represents a significant 23 percent increase from 2011 levels. Median sales prices ranged from \$500,000 in zip code 92647 (northeast), \$575,000 in zip code 92646 (southeast), \$700,000 in 92649 (west, including Huntington Harbour), \$755,000 in 92648 (coastal and Downtown), and \$2,825,000 in 90742 (Sunset Beach). The City's two lower priced zip codes (92647 and 92646) evidenced positive sales price appreciation from the prior year's sales, whereas median sales prices in the two higher priced zip codes (92648 and 92649) still reflect modest depreciation. Countywide, the median single-family sales price was \$500,000, a 4.4 percent increase from the prior year.

Condominiums comprised 28 percent of Huntington Beach's 2012 housing sales, with 599 units sold, and an additional three units sold in Sunset Beach. Median prices ranged from \$220,000 to \$390,000, compared to a Countywide median of \$287,000 and \$950,000 median in Sunset Beach. All but one of the City's zip codes (92649) evidenced price appreciation between 2011 and 2012.

Table II-19: Regional Single-Family Homes and Condominium Sales 2012

Community	Zip Code	# Homes Sold	Median Home Price	Change from 2010	# Condos Sold	Median Condo Price	Change from 2010
Anaheim	92801	263	\$320,000	3.4%	98	\$250,000	2.0%
	92802	175	\$350,000	-0.4%	51	\$250,000	-4.8%
	92804	450	\$345,000	4.5%	112	\$165,000	-14.9%
	92805	324	\$320,000	3.2%	98	\$237,000	23.0%
	92806	226	\$380,000	2.7%	33	\$224,000	4.2%
Costa Mesa	92626	324	\$507,000	2.8%	63	\$305,000	-3.2%
	92627	324	\$529,000	6.8%	126	\$353,000	3.7%
Fountain Valley	92708	464	\$530,000	-0.9%	52	\$195,000	-2.5%
Huntington Beach	92646	474	\$575,000	7.5%	204	\$300,000	0.5%
	92647	326	\$500,000	4.6%	78	\$220,000	6.3%
	92648	449	\$755,000	-3.9%	170	\$390,000	2.6%
	92649	257	\$700,000	-1.4%	147	\$296,000	-2.9%
Sunset Beach	90742	2	\$2,825,000	155.2%	3	\$950,000	29.8%
Newport Beach	92660	486	\$1,250,000	4.2%	123	\$566,000	4.8%
	92661	78	\$1,588,000	-16.4%	6	\$668,000	-18.5%
	92663	213	\$1,385,000	15.4%	137	\$489,000	-2.2%
Santa Ana	92701	139	\$282,000	6.2%	159	\$120,000	4.3%
	92703	227	\$300,000	10.3%	54	\$160,000	14.3%
	92704	347	\$330,000	1.5%	173	\$150,000	5.6%
	92705	381	\$638,000	-1.9%	55	\$193,000	17.1%
	92706	230	\$373,000	-3.1%	25	\$150,000	0%
	92707	247	\$290,000	7.4%	107	\$162,000	15.7%
Seal Beach	90740	139	\$705,000	-2.8%	52	\$224,000	-9.2%
Westminster	92683	630	\$387,000	-3.4%	34	\$315,000	6.1%
Orange County	All	23,032	\$500,000	4.4%	9,875	\$287,000	6.0%

Source: DQNews - 2012 Los Angeles Times Zip Code Chart, <http://www.dqnews.com>

While the prior Table II-19 provides an overview of the subregional housing sales market, the following Table II-20 provides detailed information on all sales of existing and new single-family homes and condominiums within Huntington Beach during calendar year 2012. A total of 1,420 single-family home sales were recorded during this period, with three and four bedroom units comprising 85 percent of all homes sold. Median sales prices ranged from \$415,000 (one-bedroom) to \$703,000 (five-bedroom), with prices varying significantly based on location. Homes in Huntington Harbour and near the coast commanded the highest prices, with less expensive homes located in the central and northern portions of the City. Unit sizes are relatively modest, averaging 1,740 square feet. The overall median sales price for all homes sold during 2012 was \$600,000.

A total of 517 condominiums were sold during 2012, comprising one-quarter of all homeownership sales. Median prices for condominiums ranged from \$246,000 (one-bedroom) to \$315,000 (two bedroom) and \$415,000 (3 bedroom), with an overall median price of \$315,000. Whereas the vast majority of single-family homes were three and four bedroom units, condominiums were predominately two-bedroom units, selling for approximately \$200,000 below similarly sized single-family homes. Condominiums are thus helping to fill a gap for smaller, less expensive ownership housing in the City. The City does have a segment of luxury, high-end condominiums as well, located primarily in the Pacific Coast Highway Coastal Corridor and in Huntington Harbour.

Table II-20: Home and Condominium Sales Prices 2012

# Bdrms	Units Sold	Price Range	Median Price	Avg. Unit Size
Single-Family Homes				
1	4	\$310,000 - \$530,000	\$415,000	670 sf
2	140	\$201,000 - \$1,325,000	\$532,000	1,270 sf
3	677	\$210,000 - \$2,759,000	\$570,000	1,600 sf
4	507	\$200,000 - \$2,900,000	\$649,000	1,955 sf
5+	92	\$220,000 - \$2,865,000	\$703,000	2,415 sf
Total	1,420	\$200,000 - \$2,900,000	\$600,000	1,740 sf
Condominiums				
1	90	\$200,000 - \$670,000	\$246,000	815 sf
2	310	\$299,000 - \$775,000	\$315,000	1,160 sf
3	117	\$215,000 - \$1,602,000	\$415,000	1,430 sf
Total	517	\$200,000 - \$1,602,000	\$315,000	1,145 sf

Source: Dataquick On-Line Real Estate Database. Compiled by Karen Warner Associates.

Home Foreclosures

Nearly 1.5 million of the 8.7 million homes and condominiums in California have been involved in a foreclosure proceeding since 2007. While the number of mortgage default notices in the State has been consistently declining since its peak in 2010, the level of foreclosure activity in California remains among the highest in the country. Approximately 49,000 Notices of Default were recorded in the State during third quarter 2012, comprising 20 percent of all residential resales.

Within Huntington Beach, www.Realtytrac.com identifies 459 single-family home and condominiums units (November 2012) in various states of foreclosure: 169 units in “pre-foreclosure” having received a notice of mortgage default; 170 units undergoing foreclosure with notice of a trustee sale; and 120 units with ownership taken over by the bank. RealtyTrac reports a total of 90 new foreclosure filings in Huntington Beach in November 2012, representing 1 filing for every 868 residential units. In comparison, the ratio of November foreclosure filings to total housing units in the State, Orange County and other northern Orange County jurisdictions was higher than in Huntington Beach, whereas the foreclosure ratio in Newport Beach and Irvine were below that of Huntington Beach.¹¹

California	1 : 430
Orange County	1 : 595
Anaheim	1 : 655
Fountain Valley	1 : 669
Costa Mesa	1 : 745
Westminster	1 : 866
Huntington Beach	1 : 868
Newport Beach	1 : 1,145
Irvine	1 : 1,315

While foreclosures have been on the decline, “short sales” - where the sales price falls short of what is owed on the property - have been rising. In terms of distressed property sales, short sales are preferable to foreclosures for several reasons: 1) units are typically occupied and in better condition; 2) they tend to be higher priced; and 3) short sales are more favorable financially for banks which may translate into improved lending conditions. In third quarter 2012, short sales comprised 26 percent of statewide resale activity.

¹¹ The foreclosure ratio is calculated by dividing the number of dwelling units in the jurisdiction by the total number of properties that received foreclosure notices that month. The lower the second number in the ratio, the higher the foreclosure rate.

Housing Affordability

The affordability of housing in Huntington Beach can be assessed by comparing market rents and sales prices with the amount that households of different income levels can afford to pay for housing. Compared together, this information can reveal who can afford what size and type of housing as well as indicate the type of households that would most likely experience overcrowding or overpayment.

For purposes of evaluating home purchase affordability, Table II-21 presents the maximum affordable purchase price for moderate income households (120% AMI), and compares this with the 2012 median sales prices for single-family homes and condominiums in Huntington Beach as previously documented in Table II-20. As illustrated below, the maximum affordable purchase price ranges from \$382,000 for a two person household, \$433,000 for a three person household, and \$481,000 for a four person household, rendering the median priced single-family homes in Huntington Beach beyond the reach of moderate income households. However, given the wide range in sales prices, approximately 40 two bedroom homes and 200 three-bedroom homes did sell at levels within the affordability threshold for households earning moderate incomes. As the real estate market continues to improve and the number of distressed and below market sales decline, the availability of affordably priced single-family homes in Huntington Beach will likely diminish.

Condominiums provide an affordable homeownership option for many moderate income households in Huntington Beach. For example, a three person moderate income household can afford a purchase price up to \$433,000, and is thus easily able to afford the \$315,000 median priced two-bedroom condominium. Expanding the supply of condominiums, combined with downpayment assistance programs and inclusionary housing requirements, can thus be an effective way to extend affordable homeownership opportunities to moderate income households in Huntington Beach.

Table II-21: 2012 Orange County Maximum Affordable Housing Cost (Moderate Income)

Moderate Income Affordable Housing Cost	1 Bedroom (2 persons)	2 Bedroom (3 persons)	3 Bedroom (4 persons)
Household Income @ 120% Median	\$81,900	\$92,100	\$102,350
Income Towards Housing @ 35% Income	\$28,665	\$32,235	\$35,822
Maximum Monthly Housing Cost	\$2,389	\$2,686	\$2,985
Less Ongoing Monthly Expenses:			
Utilities	\$97	\$109	\$147
Taxes (1.1% affordable hsg price)	\$350	\$398	\$440
Insurance	\$100	\$115	\$130
HOA Fees, Maintenance & Other	\$200	\$200	\$200
Monthly Income Available for Mortgage	\$1,642	\$1,864	\$2,068
Supportable 30 yr Mortgage @ 4.0% interest	\$344,000	\$390,000	\$433,000
Homebuyer Downpayment (10% of affordable hsg price)	\$38,000	\$43,000	\$48,000
Maximum Affordable Purchase Price	\$382,000	\$433,000	\$481,000
Huntington Beach Median Single-Family Sales Price	\$415,000	\$532,000	\$570,000
Huntington Beach Median Condo Sales Price	\$246,000	\$315,000	\$415,000

Source: Karen Warner Associates.

Utility costs based on Orange County utility allowance schedule. Includes gas, electricity, water and trash.

Table II-22 presents the maximum affordable rents for very low, low and moderate income households by household size, and compares with average apartment rents in Huntington Beach (as documented previously in Table II-17). As the table below indicates, Citywide average rents are above the level of affordability for all very low income households and for low income households with three or more persons. However, average rent levels on studio and one bedroom units are within the level affordable to smaller, one and two person households earning low incomes. Households earning moderate incomes, regardless of household size, are easily able to afford market rents in Huntington Beach.

Table II-22: 2012 Maximum Affordable Rents

Income Level	Maximum Affordable Rent After Utilities Allowance*			
	Studio (1 person)	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)
Very Low Income	\$760	\$867	\$975	\$1,057
Low Income	\$1,265	\$1,444	\$1,625	\$1,779
Moderate Income	\$1,708	\$1,950	\$2,194	\$2,412
Huntington Beach Average Apt Rents	\$1,092	\$1,362	\$1,719	\$2,160

*For comparability with advertised rentals, affordable rent calculations subtract the following utility expenses based on the Orange County Housing Authority utility allowance schedule: \$83 for studios, \$97 for 1 bdrms, \$109 for 2 bdrms, and \$147 for 3 bdrms

Source: Karen Warner Associates